

AMENDED IN SENATE MAY 12, 2003

AMENDED IN SENATE APRIL 28, 2003

AMENDED IN SENATE APRIL 10, 2003

SENATE BILL

No. 663

Introduced by Senator Speier
(Coauthor: Senator Bowen)

February 21, 2003

~~An act to amend Sections 2612 and 3704.7 of, and to add Section 2612.4 to, the Revenue and Taxation Code, relating—~~*An act to amend Section 3704.7 of the Revenue and Taxation Code, relating to taxation.*

LEGISLATIVE COUNSEL'S DIGEST

SB 663, as amended, Speier. Taxation: property tax delinquency and sales.

Under existing property tax law, unpaid property taxes are declared delinquent and subject to penalties and costs, and, if the taxes remain unpaid, the property is declared tax-defaulted and subject to sale if not redeemed by the owner within a certain amount of time. ~~Existing law requires that the tax bill for tax-defaulted property contain a written statement that the prior year's taxes are in default.~~

~~This bill would apply that requirement to both mailed and electronically transmitted tax bills, and would require that the written statement appear in bold type on a background of contrasting color, and that the tax bill contain a notice indicating the delinquency on the payment stub and a notice indicating the amount of the delinquency, interest rate, and penalties at the time of mailing of the tax bill.~~

~~This bill would also require the tax collector to mail or electronically transmit a separate notice, that contains information regarding available~~

~~payment plans for the prior year taxes and state programs that aid seniors and other qualifying individuals, to any taxpayer whose taxes are paid for the current year but who owes taxes from a prior year.~~

Existing law requires a tax collector, in the case of the proposed tax sale of property that is the primary residence of the last known assessee, to make a reasonable effort to contact, in person, the owner-occupant of the property to be sold, no more than 120 or less than 10 days prior to the date of the sale, *and requires that the costs incurred by the tax collector in attempting to make contact, not to exceed \$100, be added to the required amount for redemption of the property.*

This bill would, if the home is subject to a homeowner's exemption and the first attempt to contact the owner-occupant is unsuccessful, require the tax collector to make an additional attempt to contact the owner-occupant in person or by telephone no less than 10 days prior to the date of sale. ~~The bill would, if contact is made, require that preauction counseling be made available to the owner-occupant, and, if contact is not made with the owner-occupant of a property to which the homeowner's exemption applies and there are no parties of interest other than the owner-occupant, require that the sale of the property be delayed for no more than 2 years.~~

~~Existing law requires that the costs incurred by the tax collector in attempting to make contact with the owner-occupant, not to exceed \$100, be added to the required amount for redemption of the property.~~

~~This bill would change the maximum amount of costs to \$200. The bill would require the tax collector to remove the property from the sale if contact is not made after this additional attempt, and prohibit the property from being offered for sale until personal contact is made or the homeowner's exemption is removed.~~

By imposing additional administrative duties on local tax officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state,

reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

~~SECTION 1. — Section 2612 of the Revenue and Taxation Code~~

SECTION 1. Section 3704.7 of the Revenue and Taxation Code is amended to read:

3704.7. (a) In the case of a property that is the primary residence of the last known assessee, as indicated by either a valid homeowner's exemption on file with the county assessor in the name of the last known assessee, or the fact that the mailing address for the last tax bill is the same address as the property, the tax collector or ~~his or her~~ *the tax collector's* agent shall, in addition to any other notice required by this chapter, make a reasonable effort to contact in person, not more than 120 days or less than 10 days prior to the date of sale, the owner-occupant of that property. In the course of the personal contact, the tax collector, or ~~his or her~~ *the tax collector's* agent, shall inform the owner-occupant of the following:

(1) That the property, if not redeemed, shall be offered for sale at a public auction.

(2) ~~His or her~~ *The owner-occupant's* redemption rights pursuant to Part 7 (commencing with Section 4101).

(b) ~~If Except as provided in subdivision (c), if~~ the personal contact described in subdivision (a) is not made after a reasonable ~~efforts~~ *effort*, the tax collector or ~~his or her~~ *the tax collector's* agent shall attempt to serve written notice, no less than five days prior to the date of the sale, with respect to the fact of the sale and the requirement that the tax collector be contacted immediately with respect to redemption of the property.

(c) *Notwithstanding subdivision (b), if, for a property that is subject to the homeowner's exemption, the personal contact described in subdivision (a) is not made after a reasonable effort, the tax collector or the tax collector's agent shall make an additional attempt to contact the owner-occupant of the property in person or by telephone no less than 10 days prior to the date of sale. If contact is not made after this additional attempt, the tax*

1 collector shall remove the property from the sale. The property may
2 not be offered for sale until the personal contact has been made,
3 or until the homeowner's exemption is removed by the assessor on
4 evidence provided by the tax collector.

5 (d) The amount of the actual and reasonable costs incurred by
6 the tax collector, or ~~his or her~~ the tax collector's agent, or both, in
7 complying with the requirements of subdivisions ~~(a) and (b)~~ (a),
8 (b), and (c), not to exceed one hundred dollars (\$100), shall be
9 added to the required amount for redemption of the property.

10 ~~(d)~~

11 (e) No transfer of title shall be invalidated by reason of failure
12 to comply with the requirements of this section.

13 ~~is amended to read:~~

14 ~~2612. (a) A tax bill for tax defaulted property, whether~~
15 ~~mailed or electronically transmitted, shall contain in writing a~~
16 ~~statement of the fact that prior year taxes are in default.~~

17 ~~(b) The written statement shall contain language that would~~
18 ~~indicate that the property is in jeopardy of default as a result of~~
19 ~~delinquent taxes in the prior year, such as the following:~~

20 ~~(1) "Prior year taxes delinquent."~~

21 ~~(2) "Prior year taxes in default."~~

22 ~~(3) "Unpaid prior year taxes jeopardize property."~~

23 ~~(c) The written statement shall appear in bold type on a~~
24 ~~background of contrasting color.~~

25 ~~(d) The tax bill shall also contain the following notices:~~

26 ~~(1) A notation indicating that the delinquency is printed on the~~
27 ~~payment stub, to alert the taxpayer and the cashier or processor that~~
28 ~~there is a delinquency.~~

29 ~~(2) A notation indicating the amount of the delinquency at the~~
30 ~~time of mailing of the tax bill, plus the interest rate, penalties,~~
31 ~~costs, and fees applied to that deficiency.~~

32 ~~SEC. 2. Section 2612.4 is added to the Revenue and Taxation~~
33 ~~Code, to read:~~

34 ~~2612.4. The tax collector shall mail or electronically transmit~~
35 ~~a separate notice to any taxpayer whose taxes are paid for the~~
36 ~~current year but who owes taxes from a prior year. The notice shall~~
37 ~~contain information regarding available plans for payment of the~~
38 ~~prior year taxes and available state programs that aid seniors and~~
39 ~~other qualifying individuals who require deferral or other financial~~
40 ~~assistance to pay their taxes.~~

1 ~~SEC. 3.—Section 3704.7 of the Revenue and Taxation Code is~~
2 ~~amended to read:~~

3 ~~3704.7. (a) In the case of a property that is the primary~~
4 ~~residence of the last known assessee, as indicated by either a valid~~
5 ~~homeowner's exemption on file with the county assessor in the~~
6 ~~name of the last known assessee, or the fact that the mailing~~
7 ~~address for the last tax bill is the same address as the property, the~~
8 ~~tax collector or his or her agent shall, in addition to any other notice~~
9 ~~required by this chapter, make a reasonable effort to contact in~~
10 ~~person, not more than 120 days or less than 10 days prior to the date~~
11 ~~of sale, the owner-occupant of that property. In the course of the~~
12 ~~personal contact, the tax collector, or the tax collector's agent,~~
13 ~~shall inform the owner-occupant of the following:~~

14 ~~(1) That the property, if not redeemed, shall be offered for sale~~
15 ~~at a public auction.~~

16 ~~(2) The owner-occupant's redemption rights pursuant to Part~~
17 ~~7 (commencing with Section 4101).~~

18 ~~(b) If the personal contact described in subdivision (a) is not~~
19 ~~made after a reasonable effort, the tax collector or the tax~~
20 ~~collector's agent shall attempt to serve written notice, no less than~~
21 ~~five days prior to the date of the sale, with respect to the fact of the~~
22 ~~sale and the requirement that the tax collector be contacted~~
23 ~~immediately with respect to redemption of the property.~~

24 ~~(c) If, for a property that is subject to the homeowner's~~
25 ~~exemption, the personal contact described in subdivision (a) is not~~
26 ~~made after a reasonable effort, the tax collector or the tax~~
27 ~~collector's agent shall make an additional attempt to contact the~~
28 ~~owner-occupant of the property in person or by telephone no less~~
29 ~~than 10 days prior to the date of sale. If contact is not made after~~
30 ~~this additional attempt, the tax collector shall make the final effort~~
31 ~~to serve personal notice, as described in subdivision (b). For~~
32 ~~purposes of this subdivision:~~

33 ~~(1) If contact is made, preauction counseling shall be made~~
34 ~~available to the owner-occupant.~~

35 ~~(2) If there are no parties of interest in the property other than~~
36 ~~the owner-occupant and personal contact is not made with the~~
37 ~~owner-occupant prior to the date for sale, sale of the property shall~~
38 ~~be delayed for not more than two years.~~

39 ~~(d) The amount of the actual and reasonable costs incurred by~~
40 ~~the tax collector, or the tax collector's agent, or both, in complying~~

1 ~~with the requirements of subdivisions (a), (b), and (c), not to~~
2 ~~exceed two hundred dollars (\$200), shall be added to the required~~
3 ~~amount for redemption of the property.~~

4 ~~(e) No transfer of title shall be invalidated by reason of failure~~
5 ~~to comply with the requirements of this section.~~

6 ~~SEC. 4.—~~

7 *SEC. 2.* Notwithstanding Section 17610 of the Government
8 Code, if the Commission on State Mandates determines that this
9 act contains costs mandated by the state, reimbursement to local
10 agencies and school districts for those costs shall be made pursuant
11 to Part 7 (commencing with Section 17500) of Division 4 of Title
12 2 of the Government Code. If the statewide cost of the claim for
13 reimbursement does not exceed one million dollars (\$1,000,000),
14 reimbursement shall be made from the State Mandates Claims
15 Fund.

